TOP SECRET

1338

Attachment

NOTES FOR DISCUSSION WITH THE FRENCH RE NSC 47/5
May 17, 1951

1. U.S. is alarmed by steady deterioration of stability in the N.E. and drift towards neutralism in Arab States and Israel.

2. To combat this trend, the U.S. has decided to seek Congressional approval for a N.E. program which involves: (a) economic aid and (b) military aid.

3. Economic aid - In addition to Point IV loans and other means for economic assistance, the U.S. contemplates a grant aid program for Israel, the Arab States and the Arab refugees, which will total approximately $125 million, more than half of which is for aid to the Arab Refugees, which the U.S. believes to be the crux of the security problem in the Near East.

4. Military Aid - The U.S. is prepared to entertain requests from the Arab States and Israel for increased military assistance and training. It will involve primarily the sale of arms to the Arab States and Israel as tokens of the interest of the West in N.E. security, but in special instances, as a supplement, grant arms aid may be made available to the Arab States and Israel. Grant aid, as opposed to cash reimbursable aid will not exceed approximately $40,000,000 in fiscal 1952.

The U.S. is aware of French interest in the security of the area and, in the spirit of the Tripartite Declaration, desires to make the foregoing known to the French Government on a strictly confidential basis.

The details of the new program have not been worked out; however, it will be on the basis of impartiality as between the Arab States and Israel. The U.S. is conscious of the fact that France has been selling important quantities of arms to Syria and the Lebanon and, consequently, will wish to correlate U.S. arms assistance (both cash and grant) with French and British arms aid. How this correlation can be accomplished is a matter for future discussion with both the French Government and the British Government.

The U.S. will approach the French Government further in this connection in the relatively near future: meanwhile, it trusts that the U.S. program will be a closely guarded secret.

5. The British Government is similarly being informed.

NEA:NE:GLJones:ohd
5/16/51

DEPARTMENT OF STATE A/CDC/MR
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